REMARKS

Applicant thanks the Examiner for taking the time to discuss the pending office action in a telephone interview. The amendments to the claims were made based upon the discussion that took place during the interview as summarized in the following remarks.

Claims 1, 3, 5-9, 11, 13-17, 19, 21-24 stand rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Applicant has amended independent claims 1, 9 and 17 to include the limitation of a sensor placed within a local environment, thereby including at least one step in each of the rejected claims that must explicitly use the technological arts. Reconsideration and withdrawal of the rejection is respectfully requested.

Claims 1, 2, 4, 5, 8-10, 12, 13, 16-18, 20, 21, 24, 25 27, 28 stand rejected under 35 U.S.C. 102(b) as being unpatentable over U.S. Patent No. 5,848,396 of Gerace. As provided in the MPEP,

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described in a single prior art reference." Verdegaal Bros. v. Union Oil Co. of California, 814 F.2d 628, 631 (Fed. Cir. 1987). "The identical invention must be shown in as complete detail as is contained in the . . . claim." Richardson v. Suzuki Motor Co., 868 F.2d 1226, 1236 (Fed. Cir. 1989). The elements must be arranged as required by the claim, but this is not an ipsissimis verbls test, i.e., identity of terminology is not required. In re Bond, 910 F.2d 831 (Fed. Cir. 1990).

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Furthermore, the Federal Circuit held in Paperless Accounting, Inc. v. Bay Area Rapid Transit Systems, 804 F.2d 659 (Fed. Cir. 1986): "[A] §102(b) reference must sufficiently describe the claimed invention to have placed the public in possession of it." Id. at 665.

Gerace discloses a computer network and method for targeting appropriate audiences based on psychographic or behavioral profiles that are created by recording computer activity and viewing habits of the end user. (Gerace, Abstract). Advertisements are selected for display to the user based upon the user's psychographic profile. (Gerace, col. 2, ln. 24-42). Advertisements are also selected to be displayed to the user based upon the user's demographic profile. *Id.* An advertisement module

disclosed by Gerace records the history of the user's viewing of advertisements, the number of times a user selected the advertisement for further information and the number of times the user made a purchase from interacting with the advertisement. *Id.* Therefore, Gerace discloses a system that interacts with the user of a computer based upon the interaction of the user with a browser.

Applicant claims a method, computer program product and system that includes, *inter alia*, communicating electronically with a sensor placed within a local environment and detecting a change in one or more physical parameters communicated by the sensor that is representative of a local event associated with the local environment, wherein the local event is other than an interaction by a consumer with a browser. (Claims 1, 9, 17). Applicant also claims an advertisement computer that comprises, *inter alia*, an advertising module that selects an advertisement based on a consumer activity detected by a sensor placed within a given local environment, wherein the consumer activity does not include interaction with a browser. (Claim 25).

Applicant defined "event" as, for example, a physical action occurrence, presence, or state that is observable by one or more sensors. (Specification, p. 8, ln. 20-25). Specifically excluded were online events, such as merely accessing a particular web site. *Id.* An example of an event provided by the Applicant included sensing that the oven located in the kitchen was operating. (Specification, p. 9, ln. 25-29). Another example of an event provided by the Applicant included sensing a large flow of water to an outdoor spigot. (Specification, p. 33, ln. 1-5). These examples are events that may be detected by sensors placed within the local environment and are events that are not associated with a user's interaction with a browser.

Applicant claims selecting an advertisement having a predetermined association with the local event detected. An example of Applicant's claimed invention includes sensing that the oven is operating and then providing an advertisement that is associated with oven use, such as advertisements for cooking products, recipe books, oven cleaners and grocery discounts. (Specification, p. 10, ln. 1-2).

As noted above, to provide a *prima facie* case of anticipation, the cited prior art must set forth each of the claimed elements. Applicant respectfully asserts that a *prima facie* case of anticipation has not been presented because the cited prior art does not set forth each and every element of the invention as claimed by Applicant in the amended claims. The Examiner cites Gerace as disclosing that advertisements are selected having a predetermined association with the local event detected.

(Office Action, p. 6). Reviewing those portions cited, Gerace discloses that the sports page formats and the weather page formats allow advertisements to be displayed at the top or bottom of a screen (Gerace, col. 8, ln. 51-col. 9, ln. 7) and that, while a user is interacting with a browser, an advertisement module may send appropriate advertisements based upon the interaction of the user with the browser. (Gerace, col. 16, ln, 42-52). Furthermore, Gerace does not disclose that the local environment where the local event occurs is a room, house or building, but instead discloses the local environment as an area that may be determined, for example, by the zip code to provide weather related or local entertainment news or advertisements. (Gerace, col. 21, ln. 40-50 and col. 22, ln. 5-11). Furthermore, the sensors that sense weather changes or available entertainment in a particular zip code as disclosed by Gerace are not sensed by sensors in communication with the computer in the local environment.

Gerace has merely disclosed that advertisements may be displayed on the screen of a computer that is being operated by a user with a browser and that the advertisements may be selected for display based upon the user's interactions with the browser. Gerace discloses only advertisements that may be selected through a consumer's interaction with a browser. The disclosures of Gerace do not set forth Applicant's claimed elements: communicating electronically with a sensor placed within a local environment, detecting a change in one or more physical parameters communicated by the sensor, wherein the detected change is representative of a local event associated with the local environment and wherein the local event is other than an interaction by a consumer with a browser. Neither does Gerace set forth Applicant's claimed element of an advertising computer that selects an advertisement based on a consumer activity sensed by a sensor within a given local environment selected from a room, house or building, wherein the consumer activity upon which the advertisement is based does not include interaction with a browser.

Because Gerace does not set forth each and every element claimed by Applicant in its amended claims, Applicant respectfully asserts that a *prima facie* case of anticipation has not been presented. Reconsideration and withdrawal of the rejection of independent claims 1, 9, 17 and 25 is respectfully requested as well as the withdrawal of the rejection of dependent claims 2, 4, 5, 8, 10, 12, 13, 16, 18, 20, 21, 24, 27 and 28 that depend therefrom, either directly or indirectly.

Claims 3, 11, 19 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Gerace

(5,848,396) in view of Kline (6,241,156) in further view of Ghori (6,243,772). Claims 6, 14, 22 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Gerace (5,848,396) in view of Kline (6,241,156) in further view of Ghori (6,243,772). Claims 7, 15, 23, 26 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Gerace (5,848,396). Each of these rejected claims is a dependent claim depending, either directly or indirectly, from independent claims 1, 9 and 17. For the reasons provided above addressing the rejection of independent claims 1, 9, 17 and 25, Applicant respectfully requests reconsideration and withdrawal of the rejection of claims 3, 6, 7, 11, 14, 15, 19, 22, 23 and 26.

In the event there are additional charges in connection with the filing of this Response, the Commissioner is hereby authorized to charge the Deposit Account No. 50-0714/IBM/0003 of the firm of the below-signed attorney in the amount of any necessary fee.

Respectfully submitted,

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